



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE STATE BUDGET
LANSING

MARY A. LANNOYE
DIRECTOR

April 4, 2003

MEMORANDUM

TO: Directors of Departments and Autonomous Agencies

FROM: Mary A. Lannoye
State Budget Director

SUBJECT: Executive Directive 2003-5 – Instructions for
Creating New Positions and Filling New or Vacant Positions

Executive Directive 2003-5 establishes the basic policy within the Executive Branch regarding restrictions on the creation of new positions, hiring of state employees, and the acquisition of contractual personal services. The following guidelines and procedures will be used to implement provisions of this directive related to the creation of new positions or filling of vacant positions.

Creation of New Positions

Policy: State departments and agencies are prohibited from creating any new classified positions above the classification level 12, unless the State Budget Director grants a written exception.

Guidelines: This prohibition applies to all classified positions whether full-time or less than full-time, and whether permanent or temporary in nature, regardless of funding source.

This prohibition applies whether the position will be filled from within the department or agency, or from outside the agency.

Reallocation of an existing position to a new classification level is allowed and does not require State Budget Office approval.

This policy does not apply to conversion of a limited term position to permanent status, nor conversion of a part-time position to full-time.

Procedures: State departments and agency heads should submit requests to create any new classified position in memorandum form, addressed to the State Budget Director, with a copy to the State Employer.

The request should contain the following information:

1. Narrative and organization charts as defined in Executive Directive 2003-5, Section 1.C.
2. A brief statement explaining how creation of the new position will produce more efficient and timely performance by the agency, eliminate unnecessary functions, increase the ability of the state to receive and expend federal funds, or that failure to create the position will render the agency unable to deliver basic services, or result in the loss of revenue to the state.
3. A description of the budgetary impact of creation of the position including a statement indicating whether or not any adjustments to the agency budget or employee base are necessary.

Filling New or Vacant Classified Positions

Policy: State departments and agencies are prohibited from filling any new or vacant classified positions unless certain conditions are met as defined in Executive Directive 2003-5 and in appropriations boilerplate provisions. For positions above classification level 12, prior approval by the State Budget Director is required except for internal transfers, reassignments, internal promotions and recalls from seasonal layoff.

Guidelines: The freeze does not apply to staff returning from a leave of absence, except for a waived rights leave.

For positions at classification level 12 or below, the department director or autonomous agency director (or his/her designee) must certify to certain information **AND** ensure that the active employee base number established for the department or agency will not be exceeded. This agency certification will be done quarterly as part of the legislative hiring freeze reporting process.

Procedures: A common form located at <http://www.michigan.gov/budget> will be used for the purpose of requesting hiring freeze exceptions for positions above level 12. The request for Hiring Freeze Exception form is included as Attachment A. This form must be submitted by the agency director or his/her designee to the State Budget Office prior to outside recruitment.

For all outside hires, including those at classification level 12 or below, quarterly reporting of new hires to the State Budget Office will be used to certify compliance with legislative hiring freeze requirements and with the conditions in Executive Directive 2003-5. Quarterly reports must be submitted in accord with instructions in Attachment B, including the signature of the department director or designee certifying to the accuracy of the information in the report.

I appreciate your cooperation in implementing this directive. If you have any questions concerning this memorandum, please contact Nancy W. Duncan, State Deputy Budget Director, at (517) 373-0870.

Attachments

- A) Hiring Freeze Exception Form DMB 100a (<http://www.michigan.gov/budget>)
- B) 10/23/02 memo regarding Hiring Freeze Reporting
- C) Executive Directive 2003-5

cc: Rick Wiener, Chief Operating Officer
Lisa Webb Sharpe, Director of Public Policy
David Fink, State Employer
Nancy Duncan, Deputy State Budget Director
Agency Budget Directors
Agency Human Resource Directors
Internal State Budget Office Distribution